

# **City of Albany, New York**

## **REQUEST FOR PROPOSALS FOR THE PROVISION OF BANKING SERVICES**

Proposal Number 2011-05

April 1, 2011

### **SECTION I. Introduction**

The City of Albany, New York is seeking proposals from qualified area banks authorized to do business in the State of New York to provide banking, lockbox, merchant card processing, investment custody and other related services as more fully described below. All services must be provided in accordance with New York State and Federal Law, including, but not limited to Section 10 of the New York State General Municipal Law. Customer support, cost savings and streamlining of services are critical to the City.

Albany has 97,856 residents as of the 2010 census, and approximately 1,400 full time employees. Its annual operating budget for 2011 is \$165M. The City Treasurer serves as the City's Chief Fiscal Officer and is an elected official with offices at 24 Eagle Street, City Hall, Albany, New York 12207.

The City intends to select one or more financial institutions to provide the following banking services. A description of each service is included in Section III.

1. General Banking Services
2. Payroll Processing and Employee Banking
3. Merchant Card Processing
4. Lockbox
5. Online Payment Processing
6. Other Treasury Alternatives

The City prefers to receive bids for a full service provider and encourages all interested bidders to respond to all parts of the RFP. The City will, however, consider proposals for portions of the services requested.

### **SECTION II. PROPOSAL PROCEDURES**

#### **A. ANTICIPATED SCHEDULE OF PROPOSAL**

Issue RFP: April 1, 2011

Proposals Due: May 2, 2011  
Oral Presentation, if necessary: as scheduled  
Selection Made: May 26, 2011

**B. PREPARATION OF PROPOSALS**

Each proposal shall be prepared simply and economically. For ease of review, proposals must follow the outline in Section V of this RFP. Each response should be numbered.

**C. NUMBER OF PROPOSAL COPIES**

Six (6) copies of the proposal should be submitted.

**D. SUBMISSION OF PROPOSALS**

All proposals must be delivered on or before **4:00 p.m. May 2, 2011** to the following office:

Michelina C. Wojton, Esq.  
Assistant Corporation Counsel  
City Hall - Room 106  
24 Eagle Street  
Albany, New York 12207

**Proposals received after the above date and time will not be considered.**

1. Each proposal submitted will be the document upon which the City of Albany will make its initial judgment regarding each proposer's qualifications, understanding of the City's scope and objectives, methodology, and ability to provide the requested services.
2. Those submitting proposals do so entirely at their own expense. There is no expressed or implied obligation by the City to reimburse any firm or individual for any costs incurred in preparing or submitting proposals, preparing or submitting additional information requested by the City, or participating in any selection interviews.
3. Submission of a proposal indicates an acceptance of the conditions contained in this Request for Proposals unless the submitted proposal clearly and specifically states otherwise.
4. The City of Albany reserves the right to accept or reject any and all proposals in whole or in part, to waive any and all informalities, and to disregard all non-conforming, non-responsive or conditional proposals.
5. The City of Albany reserves the right to award the banking services work, in whole or in part, to one or more firms. The City is aware that not all firms provide all of the services requested in this proposal. Accordingly, each proposal must specifically state the scope of services provided by the firm to the extent requested in Section IV below.

6. Any award of services shall be conditioned on the execution of a formal written City of Albany professional services contract. The City of Albany reserves the right to revoke or rescind any award at any time prior to the full execution of a formal written contract.

#### E. EFFECTIVE PERIOD OF PROPOSALS

All proposals must state the period for which the proposal shall remain in effect. Such period shall not be less than 120 days from the proposal date.

#### F. RIGHT OF REJECTION BY THE CITY OF ALBANY

Notwithstanding any other provisions of this RFP, the City reserves the right to award this contract to the financial institution(s) that best meet the requirements of the RFP and not necessarily to the lowest bidder. Further, the City reserves the right to reject any or all proposals prior to the execution of a contract for any reason or no reason without penalty to the City.

### SECTION III. CITY OF ALBANY TREASURY ORGANIZATION

- The City currently has one primary bank with multiple accounts including a General Fund account, Trust & Agency account and multiple bond accounts.
- The City has online access to these accounts. Remittance checks are scanned and processed in-house and accounts are reconciled daily.
- The City maintains deposits at two additional banks in accordance with its investment policy.
- Current and anticipated weekly processing volumes remain relatively consistent year over year. Statistics on primary accounts are as follows:

#### DISBURSEMENTS:

	<u>CHECKS</u>	<u>DOLLARS</u>
Trust & Agency/Payroll*	94,000	\$84,000,000
General Fund/Accounts Payable	15,600	\$101,400,000

	<u>WIRE TRANSFERS</u>	<u>DOLLARS</u>
Trust & Agency/Payroll*	110	\$24,000,000
General Fund/Accounts Payable	240	\$150,000,000
Capital Fund	2	\$44,642,000

	<u>INTERNAL / BOOK TRANSFERS</u>	<u>DOLLARS</u>
Trust & Agency/Payroll*	12	\$30,000
General Fund/Accounts Payable	110	\$102,215,000
Capital Fund	25	\$30,000,000

City Trust Fund	4	\$1,000,000
Federal Mic./ WIA Fund	2	\$3,500,000

- Our current bank provides check stock inclusive of our overall fee. We print approximately 22,000 payroll checks and 15,600 accounts payable checks annually.
- Property taxes are collected in January of each year. Currently, this process is done in house. On average, we process 27,000 individual payments totaling \$65M. In addition, we receive bank wires covering an additional 9,052 properties totaling \$21.6M. Tax bills are printed and mailed in house.
- The City provides for online payment of taxes and accepts credit card payments for certain transactions at City Hall. Credit card payments are also accepted at the Albany Municipal Golf Course. While parking tickets can also be paid online, the online service is part of a separate contract with an outside vendor and would not be included within the scope of services we are seeking under this RFP.

\*Approximately 65-70% of employees are on direct deposit.

#### SECTION IV. SCOPE OF SERVICES

**A. General Banking Services.** The City's demand deposit accounts receive regular deposits of cash, checks and wire transfers from various sources. At a minimum, the following services will be required:

- Accurate and online access to records of activities for accounts.
- Controlled disbursement services on selected accounts
- Positive pay services
- Stop payment services
- Reissue and/or add individual checks
- Online balance reporting services including serial number sorting and subtotaling on disbursement checks
- CD-ROM imaging (front and back) of remittance and disbursement checks
- Disbursement via wire transfer with accompanying security features
- ACH transactions
- Branch deposit/night drop capability
- Wire transfer services
- Sweep account provisions
- Account reconciliation
- Monthly activity and analysis statements (can be electronic)

**B. Payroll Processing and Employee Banking.** The City has approximately 1,400 full time employees and hires a significant number of seasonal employees in the summer. Employees are paid weekly. At a minimum, the following services will be required:

- Establish and maintain accurate records of activities for demand deposit account for City Payroll
- Direct deposit processing

- Automated on-line balance reported
- Stop payment services
- Reissue and/or add individual checks
- Check imaging
- Positive pay service

**C. Merchant Card Processing.** The City accepts credit cards for certain payments and would like to expand its ability to process credit card payments at remote location (e.g., the landfill) and via the Internet and telephone. At a minimum, the following services will be required:

- Process credit card payments (MasterCard, Visa, American Express and Discover)
- Transfer of funds to designated City accounts
- Automated or on line reporting including charge backs
- Monthly analysis statements

**D. Lockbox.** The City is interested in using lockbox services to process property tax payments. At a minimum, the following services will be required:

- Operate lockbox
- Capture images of checks and other remittance documents
- Provide daily activity reports
- Provide electronic reporting that can tie into the City's General Ledger/Financial System and Property Tax Receivable system

**E. Online Payment Processing.** The City would like to expand its ability to accept online payments for licenses, permits, DGS fines, etc. While we recognize that these types of web portals, which must connect to the City's General Ledger/Financial System, may be outside the scope of services offered by banking institutions, we encourage responders to address their experience in working with third party vendors to facilitate these services.

**F. Other Treasury Services.** Please provide the City with any other pertinent suggestions to streamline our operations.

## **SECTION V. INFORMATION REQUESTED**

The City requests that proposals be submitted in the following format:

**Section 1:** Title page – The title page should reflect the RFP subject, name of the entity, address, telephone number and contact person.

Table of Contents – The table of contents must indicate the material included in the proposal by section and page number.

**Section 2:** Qualifications and Experience – this section must address qualifications and experience to carry out the services offered, inclusive of qualifications to do business in New

York State, number of years in business, experience serving similar clients, location of headquarters and local offices.

Staff – provide names, qualifications and relevant experience of professional staff members that will be involved in the proposed engagement.

**Section 3:** References – provide references for similar engagements, including contact information.

**Section 4:** Scope of Services – provide details addressing how each service requested would be provided. Address each service in the order set forth in Section IV above.

**Section 5:** Cost Proposal – provide details on the cost of each service being offered, including fee structure, compensating balances, earned interest, credits, minimum balances and any other relevant information that will assist the City in evaluating the cost of the proposal. The cost of each service offered must be clearly set forth in the proposal.

**Section 6:** Collateral Proposal – provide details on proposal for meeting mandatory collateral requirements for municipal deposits, including third party arrangements, security agreement terms and cost.

**Section 7:** Non Collusive Proposal Certificate and Acknowledgement – each proposer shall execute and submit the Non Collusive Proposal Certificate and the Acknowledgement attached to this RFP.

## **SECTION VI. PROPOSAL EVALUATION**

Proposals shall be examined and evaluated by the Corporation Counsel's Office and the Treasurer's Office to determine whether each proposal meets the requirements of this RFP. A recommendation will be made for a contract award based on the following criteria:

- The proposer's demonstrated capabilities, professional qualifications, and experience.
- The ability of the proposer(s) to render the requested services to the City in a timely fashion.
- Total proposed cost.
- Completeness of the proposal.

The selection of a proposal will not be based solely on a monetary evaluation. There will also be an evaluation of the proposer's understanding of the work required and approach to treasury services with considerable weight being given to experience in the areas required, customer service and the track record of the proposer(s).

## **SECTION VII. SPECIFICATION CLARIFICATION**

All inquiries with respect to this RFP shall be directed to the City of Albany Treasurer's Office as follows:

Christopher Quirk, CPA  
Assistant Treasurer  
City Hall – Room 109  
24 Eagle Street  
Albany, NY 12207

All questions must be submitted in writing. Replies will be posted on the City's website at <http://www.albanyny.org/home.aspx>. Questions received less than four (4) business days prior to the date of submission of proposals will not be answered. Oral interpretations or clarifications will be without legal effect.

**NON-COLLUSIVE PROPOSAL CERTIFICATE**  
**PURSUANT TO NEW YORK STATE GENERAL MUNICIPAL LAW SECTION 103-D**

By submission of this proposal, each proposer and each person signing on behalf of any proposer certifies, and in the case of a joint proposal each party thereto, certifies as to its own organization, under penalty of perjury, that to the best of knowledge and belief:

- (1) The prices in the proposal have been arrived at independently, without collusion, consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other proposer or with any competitor;
- (2) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the proposer and will not knowingly be disclosed by the proposer prior to the opening, directly or indirectly, to any other proposer or to any competitor; and
- (3) No attempt has been made or will be made by the proposer to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name and title)

\_\_\_\_\_  
(name of firm)



## ACKNOWLEDGMENT BY PROPOSER

If Individual or Individuals:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known and known to me to be the same person(s) described in and who executed the within instrument, and he (or they severally) acknowledged to me that he (or they) executed the same.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

Qualified in \_\_\_\_\_

Commission Expires \_\_\_\_\_

If Corporation:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known, who, being by me sworn, did say that he resides at (give address) \_\_\_\_\_; that he is the (give title) \_\_\_\_\_ of the (name of corporation) \_\_\_\_\_, the corporation described in and which executed the above instrument; that he knows the seal of the corporation, and that the seal affixed to the instrument is such corporate seal; that it was so affixed by order of the board of directors of the corporation, and that he signed his name thereto by like order.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

Qualified in \_\_\_\_\_

Commission Expires \_\_\_\_\_

If Partnership:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally came \_\_\_\_\_, to me known to be the individual who executed the foregoing, and who, being duly sworn, did depose and say that he/she is a partner of the firm of \_\_\_\_\_ and that he/she has the authority to sign the same, and acknowledged that he/she executed the same as the act and deed of said partnership.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

Qualified in \_\_\_\_\_

Commission Expires \_\_\_\_\_